

**WESTPAC**  
Australia's First Bank

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Mr Herb Plunkett  
Assistant Commissioner  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616  
By E-mail

Dear Mr Plunkett

**Re: National Workers Compensation and OHS Inquiry**

Please find attached the submission of Westpac Banking corporation to the interim report of the Productivity Commission on the national workers compensation and OHS inquiry. If you require any further information or clarification please contact me.

Yours sincerely



Head of Employee Relations and Policy

**SUPPLEMENTARY SUBMISSIONS**  
**WESTPAC BANKING CORPORATION**  
**PRODUCTIVITY COMMISSION INTERIM REPORT**

**Introduction**

Westpac appreciates this final opportunity to comment upon the Productivity Commission Interim Report. We note that we have already made comprehensive initial submissions and provided supplementary information in Angela Geest's letter to Mike Woods dated 11 July 2003. We wish to make further submissions about three aspects of the Commission's Interim Report.

**The Comcare scheme**

In its Interim Report, the Productivity Commission recommends that, as the first step in developing a national workers' compensation scheme, the Commonwealth should immediately encourage self-insurance applications from employers who meet the current competition test to self-insure under the Comcare scheme, subject to meeting its prudential, claims management, OHS and other requirements. (Interim Report, Chapter 4)

While opting into Comcare is in some respects an attractive option for Westpac to assist achieving standardisation of its national workers' compensation responsibilities, there are issues which detract from the desirability of adopting this course. These include:

- The need to adopt Comcare administrative policies and procedures are viewed as a constraint on Westpac's ability to develop and implement its own tailored management programs, particularly in the development of rehabilitation policies and procedures;
- The benefits structure of Comcare is such that it provides benefits that are more generous in both monetary amount and the period over which benefits are provided) than the state-based schemes.
- The availability of payment of normal weekly earnings up to 45 weeks under Comcare is seen as providing a disincentive to employees to effect rehabilitation during that time;
- Without having performed an extensive cost/benefit analysis, it is questionable as to whether there is any financial benefit in terms of licence fees, bank guarantees, actuarial costs and audit costs. By way of example, as noted in Westpac's previous submission (see the table contained in section 3.1 of that submission), Westpac's national self-insurance licence fees incurred for each State and Territory as at 30 September 2002 were a total of \$881,655.00. It is Westpac's understanding that licence fees under Comcare would be for an amount between approximately \$800,000.00 and \$1,000,000.00;

We have not yet completed any exhaustive analysis of the Comcare scheme to determine whether or not it would be advantageous for us and our employees to enter this scheme. However, the concerns expressed above as well as those outlined in our letter of 11 July suggest to us that entering the scheme would not lead to a better outcome for us than the present situation. Accordingly, Westpac would seek appropriate reforms to the Comcare system in order for it to be seen as an attractive alternative.

### **The medium and longer term.**

In its interim report the Commission recommends that as steps two and three, national self-insurance schemes be introduced which would be different to Comcare. (Chapter 4) We support this recommendation and submit that, given the difficulties that we see with the Comcare scheme outlined above and elsewhere, that the Commission recommends a speedier move to these alternative arrangements.

### **Proposed cooperative model for OHS.**

In the interim report the Commission recommends that a national cooperative model be instigated to achieve uniform national OHS legislation and regulation in all jurisdictions. (Chapter 3) We support this recommendation if it is the easiest and fastest way to achieve national uniformity of OHS legislation and regulation.